

Mayor Mary Cooper called the meeting to order at 7:00 p.m. Also present were Councilmembers Kay Carlquist, Robert Jurca, and Bill Seuell, along with City Manager Lanny Sloan and City Attorney Mike Schottelkotte. Absent was Councilmember Guy Pfalzgraff. A meeting notice was posted in the south window at City Hall at least twenty-four hours prior to the meeting.

Pledge of Allegiance

The Mayor led everyone present in the Pledge of Allegiance.

Changes to the Agenda

City Manager Lanny Sloan stated that the request for a street closure permit, Item H, needs to be removed from the agenda. He also would request the Esau Minor Subdivision, Item J, be moved to follow citizen comments.

Minutes

Councilmember Seuell presented changes to the minutes on pages 2 & 3.

It was moved by Councilmember Carlquist and seconded by Councilmember Seuell to approve the minutes of July 7, 2009 regular meeting with the changes stated. All in favor, motion carried.

Citizen Comments

There were none.

Esau Minor Subdivision

Community Development Director Glen Black reported that Planning Commission reviewed the application at the December 1, 2008 meeting and recommended approval. City Council then reviewed the application at their December 16, 2008 and also approved the subdivision. The applicant was not able to complete all the requirements within the 90 days as required by the Municipal Code. The approval has now expired. Mr. Black explained that the applicant has now complied with all requirements and staff is presenting this to Council for approval.

It was moved by Councilmember Seuell and seconded by Councilmember Jurca to approve the Esau Minor Subdivision. All in favor, motion carried.

Financial Report

Finance Director Tod DeZeeuw presented the financial report for period ending June 30, 2009 and answered questions from Council.

Audit Report

Mr. DeZeeuw introduced Tim Mayberry with Johnson, Holscher & Company, P.C.

Mr. Mayberry presented the audit report for period ending December 31, 2008.

Request from Colorado Rural Housing

City Manager Lanny Sloan reminded Council that Colorado Rural Housing has requested that the City of Delta sponsor a CDBG grant. He explained that the attorney representing the City in the civil rights complaint, Earl Rhodes, has made a few recommendations on actions to take. Both Mr. Sloan and Mr. Rhodes have contacted DOLA in this matter for their recommendations. Mr. Sloan reported that DOLA suggested postponing any action on this matter until the civil rights complaint that DORA is investigating be complete.

Mr. Sloan explained the following two courses of action that Mr. Rhodes is recommending:

1. That the City turn this request for a pass-through grant over to the Delta Housing Authority since they are the lead agency in the County for housing issues. Mr. Sloan did speak with Ms. Rosenquist from the Delta Housing Authority regarding this grant. Ms. Rosenquist explained that they do not have the staff to handle

Regular Meeting, Delta City Council, July 21, 2009 (Cont.)

Request from Colorado Rural Housing (cont.)

- this type of grant. Mr. Sloan stated that he would not recommend turning this over to Delta Housing Authority.
2. That the City postpones any action until the issue is resolved and then make a decision. Mr. Sloan explained that this has been going on for quite some time and there is no knowledge as to when it will be resolved.

Councilmember Carlquist questioned if there were any deadlines.

Attorney Michael Schottelkotte explained that there is no deadline on the decision.

Councilmember Carlquist also questioned if there was deadline on the grant.

Mr. Sloan stated that he was unsure of the deadline.

Councilmember Jurca questioned what the City's liability would be with this grant.

Mr. Sloan explained that this is a \$1 million grant so initially the liability is for that amount. However, from what he understands this is a \$4.5 million project and in many ways the City is responsible for the full amount of the project. Mr. Sloan explained that there are requirements that the City has to comply with that passes on down to the contractors, developers, suppliers, etc. He also explained that there is little recourse if Colorado Rural Housing fails to follow through with what they are required to do.

Councilmember Carlquist commented on the City acting as a pass-through for some smaller grants in the past.

Mr. Sloan explained the two grants that the City did sponsor in the past. In both of those grants the City had control in what was happening and had recourse that the City could work with. He also explained that the projects were completed.

Mayor Cooper stated that the City does rely on funding from DOLA for various projects. She questioned what would happen with that funding if the City would be in default with this \$1 million grant.

Mr. Sloan explained that it does have an impact. These are federal funds and if there is a problem with this grant any future requests for any federal funds would be affected. He stated that DOLA would probably have concerns if the City were able to do what needs to be done in any future requests if this grant were to defaulted.

Councilmember Carlquist made a motion to delay any action on this item until the discrimination claim against the City is resolved. There was no second.

Mayor Cooper stated that there is a motion on the table that had not been seconded. She questioned Councilmember Carlquist if she wished to withdraw or amend the motion. The motion failed for a lack of a second.

Councilmember Seuell made a motion that the request be declined for the reasons that have been clearly discussed.

City Attorney Michael Schottelkotte asked that the Council recognize that action would be against the advice of Mr. Rhodes. He stated that the previous motion that was made would be what Mr. Rhodes would strongly recommend.

Councilmember Seuell questioned the length of time that could be.

Mr. Schottelkotte stated there is less risk in the current litigation if they delay on making a decision at this time.

Councilmember Carlquist questioned if they would still have the option to accept or deny this grant after everything is resolved.

Mr. Schottelkotte stated that is correct.

Regular Meeting, Delta City Council, July 21, 2009 (Cont.)

Request from Colorado Rural Housing (cont.)

It was moved by Councilmember Carlquist and seconded by Councilmember Seuell to delay this matter until such time the discrimination claim is resolved. All in favor, motion carried.

Request from Delta Housing Authority

Jo Rosenquist with the Delta Housing Authority (DHA) stated she has submitted a letter requesting the funds that were budgeted for the Villas project. She presented some drawings of the project.

Ms. Rosenquist reported on the current status of the project. Reporting that four of the six buildings in phase one are fully leased.

She stated that they completed phase one during the worst economic meltdown since the great depression. Phase two of the project was to include a playground. However, because of the economic conditions there is going to be a significant delay in this phase. She explained that the playground is a great service to this project and would like to put it in.

Ms. Rosenquist also explained that they spent over \$330,000 in water and sewer tap fees. They only budgeted \$260,000. However, City engineers recommended enlarging the size of the pipe which increased the cost. There were also some overrun on architectural fees due to structural changes.

Mayor Cooper asked what kind of cost the playground would be.

Ms. Rosenquist stated that the playground itself has been expensed out at around \$26,000.

Mayor Cooper responded saying that she understands that they need the playground and that the City did budget for the Villas. However, it is hard to say yes due to the current budget concerns the City is facing.

Ms. Rosenquist stated that she recognizes that. She also stated she feels that the City also needs to recognize that DHA asks for a very small amount of money for a \$9 million project that produced a lot of revenue for the community.

Councilmember Carlquist questioned if DHA would need the full \$50,000 at this time.

Ms. Rosenquist responded that would be the easiest. She explained that what happens then is they would have to look at trying to find other dollars or cut something else. Ms. Rosenquist suggested that they could take part of it in cash and then look at a trade off for water and sewer tap fees.

Mayor Cooper stated that those have to be paid. She explained what the City could offer for in-kind help.

Councilmember Carlquist stated that she thinks it is important to finish the first phase.

It was moved by Councilmember Carlquist and seconded by Councilmember Seuell to approve \$30,000 of the \$50,000 budgeted to be paid to the Delta Housing Authority for the Villas at the Bluff. All in favor, motion carried.

City Attorney Comments

There were none.

City Manager Comments

City Manager Lanny Sloan stated that Council has requested that discussions start regarding the budget for next year. Mr. DeZeeuw will be putting information together for Council. Mr. Sloan requested Council set a date for a retreat to start the budget discussions. The retreat was scheduled for August 11, 2009 at 6:00 to be held in Council Chambers.

Regular Meeting, Delta City Council, July 21, 2009 (Cont.)

Councilmember Comments

Mayor Cooper reported that she has received several compliments on the flowers throughout the City. She also reported on the events of Deltarado Days going very well.

Mayor Cooper commented on the awful fire that happened in the community. She asked Mr. Mathews how many gallons of water they used.

Councilmember Comments (cont.)

Utilities Director Fay Mathews stated that they do not know at this time. He commended the dedication of the volunteers of the Delta Volunteer Fire Department.

Executive Session

It was moved by Councilmember Carlquist and seconded by Councilmember Jurca to convene an Executive Session for a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions pursuant to CRS 24-6-402(4)(b), or more specifically for discussion on the Simond's litigation. All in favor, motion carried.

At 7:38 p.m., the Regular Meeting was recessed. The Executive Session was convened a short time later.

At 8:09 p.m., the Mayor reconvened the Regular Meeting and announced that the Executive Session had been concluded. She stated that in addition to herself, the participants in the Executive Session were Councilmembers Kay Carlquist, Robert Jurca, and Bill Seuell, along with City Manager Lanny Sloan, City Clerk Jolene Nelson and City Attorney Mike Schottelkotte. For the record, the Mayor asked any person participating in the Executive Session who believed that any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session in violation of the Open Meetings Law, to state his or her concerns for the record. No concerns were stated.

The meeting was immediately adjourned.

Jolene E. Nelson, City Clerk